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BISNIS

SEARCH FOR PARTNERS

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The Business Information Service for the Newly Independent States (BISNIS) is the U.S. Government's clearing-house for trade and investment information on the Newly Independent States of the former Soviet Union.

BISNIS publishes **SEARCH FOR PARTNERS** to help U.S. companies find investment opportunities in the expanding markets of the former Soviet Union.

SEARCH FOR PARTNERS is also distributed via bi-weekly e-mail broadcast. A limited selection of these leads are published in this monthly newsletter. Previous e-mail broadcasts are available through the BISNIS home page at www.bisnis.doc.gov. To receive the biweekly report, e-mail BISNIS at bisnis@ita.doc.gov or call (202) 482-4655.

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GEORGIA

Industry: Sports Club, Hotel

Company: Tennis Club Dinamo Ltd.

Tennis Club Dinamo Ltd. was established in 1935 and privatized in 1994. The company employs 35 people. Its charter capital totals US\$345,500. The company is located on 21,100 sq. m. of land, of which 7,200 sq. m. is for open-air tennis courts. The indoor tennis facilities occupy 1,500 sq. m. of land. The company's administrative offices are located in a two-floor building, which include lounges, a cloakroom, showers, and a bar. In addition, it owns a summer cafe-bar. The main activity of the company is the development and promotion of professional tennis. It also promotes amateur tennis. The company's revenue from its training services account for 60 percent of its total earnings, and the revenue from court leases account for 25 percent. Tennis Club Dinamo's sales for 1997 totaled US\$41,000. It has hosted the Davis Cup and other prestigious tournaments.

The company has developed a business plan that includes the construction of a hotel with a recreation center, the modernization of its existing courts, and construction of water sports facilities. To implement this project, the company seeks a U.S. investor/business partner. It offers profit participation to prospective partners.

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Source: BISNIS Representative in Georgia



Industry: Rubber Production, Metals, Food Processing
Company: Dina Ltd.

Dina Ltd. is a private enterprise founded by two people in 1992 in Kutaisi, Georgia. It began production in 1995. The company occupies 0.45 hectares of land and 1,200 sq. m. of production space. The enterprise has four shops: a raw rubber producing department; a rubber article producing department; a die producing, metal mechanical elaborating, and welding department; and a laboratory. Dina's production is based on its own technology and Soviet equipment renovated by technical specialists working in the enterprise. All equipment is in excel-

lent working condition. Dina employees 22 people, among them four scientists systematically working on technological improvements. The company's main customers are the Georgian Railway Department, the Tbilisi Subway Department, and the Port of Poti. It prepares all of the rubber items necessary for these organizations. The Railway and Subway Department and the Port of Poti used to import their rubber items from Russia. They have all become permanent customers of Dina.

Dina also produces aluminum step coverings for subway escalators. The company has established contacts with the Italian firm Plast-Italy and is producing rubber articles for these partners. The company's scientists have also designed new types of wind-powered generators and have experience in producing several types of food processing equipment. The cost of the company's products are competitive due to the low cost of labor. The company's management claims it can produce any kind of rubber article and food processing equipment. Dina's orders increased from US\$80,000 in 1996 to US\$120,000 in 1997 and US\$180,000 in 1998. So far this year, the company has orders for US\$350,000 worth of products. Dina imports its raw material from Russia. It seeks a U.S. partner that will assist the company in the distribution of its products and for future mutual cooperation.

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Source: BISNIS Representative in Georgia

KAZAKHSTAN

Industry: Construction

Company: Ai-Su Concern

The Ai-Su Concern, a private construction company, was established in 1994. Ai-Su and its branch companies specialize in industrial and civil construction; drilling of water wells; soil and water laboratory analyzing; whole sale and retail of construction materials, refinery products, food products, and consumer goods; woodwork and metalwork; welding; and auto repairs. Ai-Su Concern participated in the construction of a tractor plant, an aluminum plant, a chemical plant, and a refinery (Pavlodar - an industrial center in northern Kazakhstan); construction of a water channel; construction works at a metallurgical plant; and a coal mine (Karaganda - an industrial center in central Kazakhstan). Ai-Su, with its head office (Ai-Su Basis) in Astana, currently employs more than 2,000 people.

The concern's branch companies are located in Astana (Ai-Su Astana, Ai-Su Polimer, Ai-Su Monolit), Pavlodar (Ai-Su Proyekt, Ai-Su Agash, Ai-Su Maksat, Ai-Su Torg, Ai-Su Moda, Ai-Su Aul), and Almaty (Ai-Su Orient). The firm's annual turnover totals US\$10 million. Among its business partners are companies from Germany, Spain, China, Greece, Russia, and Kyrgyzstan. Ai-Su and its foreign business partners are subject to tax and customs fees holidays according to a presiden-

tial decree on Astana's special economic zone. The management of Ai-Su has extensive business experience. Mr. Tulekin, general director of Ai-Su Astana, successfully participated in a recent Standards in Construction session of the Special American Business Internship Training (SABIT Program). Middle managers of the company participated in professional training with producers of construction materials and equipment in Germany and the Netherlands.

Ai-Su seeks a U.S. joint venture partner/investor to use new technology, and to establish new production in Kazakhstan in the field of construction. A business proposal in English is available upon request. The company can conduct business in English.

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Source: BISNIS Representative in Kazakhstan



Industry: Food Processing

Company: Pchelka Farm

Pchelka Farm, established in 1993, specializes in bee-keeping, plant-growing (medicinal herbs and wheat), and animal breeding (cows, horses, and hogs). The farm is located approximately 150 km from Astana — the new capital of Kazakhstan. The total area of the farm is 1,403 hectares. Since 1993, the farm has reinvested its revenues in agricultural machinery, livestock, and the construction of a warehouse, garage, and barn. Pchelka has four full-time workers and up to ten employees for seasonal work. According to the farm's representative, its products are distributed through various markets in the Akmola Oblast through a network of trade channels and are popular due to reasonable quality and pricing. In 1994 and 1995, the farm received two short-term (six month) loans from Agrobank. The loans and 65-percent annual interest were paid off on schedule. In 1998, Pchelka borrowed from Center Credit Bank and has already paid the interest on the loan. Currently, the farm has no debts. Pchelka is a board member of KazAgro — an association of Kazakhstan farmers, which participate in World Bank agribusiness projects. Pchelka plans to expand the range of its bee-keeping products to include propolis, beeswax, and pollen. From seeds imported from Russia, the farm plans to produce from eight to ten types of medicinal herbs in addition to 35 types naturally produced by the farm's land. Among its other business plans are milk and meat processing lines.

Pchelka seeks a U.S. investor/joint venture partner to pro-

duce and process agribusiness products for the Kazakhstani market. The farm seeks a US\$200,000 loan with a 12-percent annual interest rate for seven years. The farm offers its property and a mortgage guaranteed by KazAgro. A detailed business plan in Russian is available upon request. The company cannot conduct business in English.

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Source: BISNIS Representative Kazakhstan

KYRGYZSTAN

Industry: Oil and Gas Processing

Company: Key Industry Engineering Ltd.

The private company Key Industry Engineering (KIE) Ltd., was reestablished in 1997. The company specializes in chemical engineering, control automation, and industrial construction. The company employs 250 people. KIE utilizes several unique technologies invented by the Novosibirsk Research Institute. It has completed several projects (under the program of the European Bank for Reconstruction and Development) for international industrial and consulting firms, such as Chem Systems, and Deloitte and Touche. The company has constructed two small oil refinery plants within the last three years (with a total capacity of 1,000 tons of gasoline per day). KIE owns a gas refining enterprise Vostok and shares of the state joint-stock company Kyrgasmunaizat (oil and gas).

Currently, the company is looking for a U.S. partner to construct a small A-95 processing plant that will convert natural gas into liquid car fuel. Project costs are estimated at US\$5.8 million. A future partner would provide partial financing. Future production costs are estimated at US\$200-250 per ton, while the current wholesale price for the product is US\$450-500 per ton. A business plan is available upon request.

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Source: BISNIS Representative in Kyrgyzstan



Industry: Beauty Services

Company: Ay-Suluu

Ay-Suluu was established in 1994 as a private company. It

specializes in hairdressing, cosmetology services, and beauty care products. Ay-Suluu has 35 employees and owns 150 sq. m. of office, retail, and other commercial space. Presently, the company's annual sales total US\$12,200.

The company seeks a U.S. partner to establish a joint venture to provide training for beauticians and hairdressers and/or distribute U.S.-made hair products and cosmetics. The Ay-Suluu offers commercial space, specialists, and assistance in obtaining certificates and other permits. A future business partner would supply modern hairdressing equipment, cosmetics, and technology.

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Source: BISNIS Representative in Kyrgyzstan

ALTAY REGION, RUSSIA

Industry: Beverages

Company: Barnaul Brewery

Barnaul Brewery was founded in 1978 and privatized in 1993. The company produces more than 15 brands of beer (in bottles and casks) and more than 35 brands of soft drinks. Its products were awarded medals at Russian and international trade shows. The brewery has ten retail outlets and an established network of distributors. Its production volume totals 1,200 decaliters daily. The company plans to expand its production line.

Barnaul Brewery seeks a U.S. investor or a joint venture partner to produce high-quality beer and soft drinks. A potential partner would provide partial financing (up to US\$2.8 million) and/or contribute a modern bottling line.

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Source: BISNIS Representative in Novosibirsk

AMURSKIY REGION, RUSSIA

Industry: Food Processing

Company: Filibusters Co., Ltd.

Filibusters Co., Ltd., was established in 1994 in Blagoveschensk, capital of the Amur Region and the agricul-

tural center of the Russian Far East. Currently, the company is owned by four individual investors and the insurance company AmurDusk. The company specializes in processing agricultural products, including buckwheat, soy bean deodorized flour, soybean grain for poultry fodder, and mixed concentrated feeds. The company's soybean deodorized flour has been recognized as being among Russia's 100 best products. Major Russian confectioneries like Moscow-based Rot Front and Babayevskaya purchase the company's soybean flour. Despite the depreciation of the ruble, Filibuster's sales totaled US\$1 million in 1998. The company currently employs 70 people.

The company seeks to expand its production of high-quality nutritionally complete feeds demanded by the reviving local poultry, pig, and cattle raising industries. The company plans to generate annual sales in excess of US\$14 million in 2002 and gain a 10 percent share of the local market. It seeks a foreign partner to establish modern production of nutritionally complete feeds. Financial projections in English are available upon request.

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Source: BISNIS Representative in Khabarovsk

KHABAROVSK, RUSSIA

Industry: Bakery

Company: Mikton Ltd.

Mikton Ltd., was founded in 1997 by three entrepreneurs. The company's director, Vladimir Ivasyev, owns the controlling block of shares and the know-how for the production of original grain bread. Since February 1998, the company has been producing Russkiy grain bread in Khabarovsk. This bread is licensed by the Russian State Agency for Metrology and Standards and has received high assessments from the agency's experts. Grain bread is very inexpensive to make since 86 percent of its ingredients is grain, while flour accounts for only 14 percent. The production cycle is short and demand is high; thus, the capital tied up in inventory is limited. Currently, the company bakes 1.5 tons of bread a day. If production reaches 10 - 15 tons daily, the company will be able to realize a profit margin exceeding 50 percent. The grain bread is increasingly popular and affordable for the average consumer.

Since bread is a staple of the Russian diet, the demand for bread remained stable after the financial crisis. The company is the only grain bread producer in the Russian Far East with a 10 percent share of the local bread market.

Mikton seeks a joint venture partner to expand and diversify production. Furthermore, the company is interested in developing a chain of grain bread bakeries throughout Eastern Russia and the St. Petersburg Region. Mikton's management is highly motivated and experienced in bakery operations. The

company can conduct business in English. The company's financial statements have been audited in accordance with Russian accounting standards. The company is developing a business plan.

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Source: BISNIS Representative in Khabarovsk

KRASNODAR, RUSSIA

Industry: Beverages

Company: Palmira-Yug

The private company Palmira-Yug was established in February 1996. Currently, the company employs 99 people and specializes in the production of beverages. The company owns its own production facilities, which are equipped with modern production lines. The company produces approximately 10 million liters annually. It was recognized at a number of national and international exhibitions. The company has developed the technology to produce a new kind of drinking water enriched with oxygen. This water was awarded the gold medal at the Moscow International Exhibition. The company patented this product and obtained the licenses necessary to begin production. The company seeks a joint venture partner to produce oxygen-enriched water.

Note: Vladimir Shcherbak, the director, is an alumnus of the SABIT Program.

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Source: BISNIS Representative in Nizhny Novgorod

MOSCOW, RUSSIA

Industry: Aviation

Company: Chistoye Nebo (Clear Sky) Public Fund

The Chistoye Nebo Public Fund was founded in August 1998 to facilitate the employment of retiring military pilots and aviation workers. The fund conducts its activities in accordance with government program to support retired soldiers. JSC Chistoye Nebo, a subsidiary of the Fund, was granted 3 hectares of land for 20 years in Krasnoznamenensk, 40 kilometers west of Moscow, where the company plans to start its center. The project will include construction of a helicopter landing ground and technical facilities such as hangars, parking lots, and assembly and maintenance shops. Furthermore, the project will include the establishment of a network of 20 such centers for small aviation in Central Russia by 2008. The fund plans to set up a private aviation industry by using military facilities

and scientific and engineering potential. It is negotiating with the Ministry of Defense to define the allowed air space for small aviation flights. The testing and certification procedures will be made by pilots of the Gromov Testing Institute, one of the founders of the fund. Development of small aviation is on the Ministry of Defense's agenda, as well as on the agendas of local administrations, businesses, security firms, and environmental agencies.

The fund is looking for an American company to participate in the project. The first stage will include purchasing 30-50 American-made small, two-person helicopters for (US\$50,000-70,000 each), establishing an aviation center in Krasnoznamensk, maintenance, and staff training. The training can be provided by BISTRO, a TACIS-sponsored training program. During the later stages of the project, Chistoye Nebo plans to expand its business by purchasing kit forms of planes and helicopters and assembling them in the center. The project includes assembly, sale, and servicing for 140-200 small helicopters. The fund has developed a business plan for the pilot project. According to the business plan, first-year sales will reach US\$1.5-3.5 million, with the sales for the next five years estimated at US\$40.5-82.5 million.

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Source: BISNIS Representative in Moscow

NIZHNY NOVGOROD, RUSSIA

Industry: Electrical Equipment

Company: Dzerzhinsk Science and Technology Center

The Dzerzhinsk Science and Technology Center was established in Dzerzhinsk in 1988 (Dzerzhinsk is located 20 km west of Nizhny Novgorod). It employs over 15 workers. The company specializes in designing electrolyzers and hydrogen generators. The Dzerzhinsk Science and Technology Center leases 190 sq. m. and owns 100 sq. m. of design, production, and warehouse facilities. The company holds three patents for hydrogen electrolyzers in Russia. Its annual revenues total approximately US\$100,000.

The Dzerzhinsk Science and Technology Center is interested in establishing joint production of electrolyzing/electrochemical equipment with U.S. companies. The Russian company will provide its work force, production space, and research and development for this project. A business plan in Russian is available upon request.

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Source: BISNIS Representative in Nizhny Novgorod

NOVOSIBIRSK, RUSSIA

Industry: Construction Materials

Company: Profile-S Ltd.

Profile-S Ltd. was established in 1995. The company specializes in producing wooden and plastic windows, doors, and other construction materials. The company owns 50,000 sq. m. of production space with warehousing facilities, a two-floor office building, and equipment. The company employs 230 people, and its annual sales of construction materials total US\$5 million. The company has international business experience with a Swiss company (JCT) and two German firms (Klieberit and Berlocher).

Profile-S seeks a joint venture with a U.S. company to produce doors, windows, and construction materials. A potential partner would contribute modern equipment. The company will contribute its customer base, marketing in the Siberian region, and advertising.

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Source: BISNIS Representative in Novosibirsk

SAMARA, RUSSIA

Industry: Pharmaceuticals

Company: Nadezhda-77

Nadezhda-77, a small private company that employs 12 people, is primarily engaged in wholesale and distribution. The company was established in 1992 and is located in the Samara region. It buys chemicals, basically ion exchange resins to supply pharmaceutical companies, which in turn provide drugs and medicine to Nadezhda-77. The company then sells the pharmaceuticals through its distribution network.

The company claims its total annual turnover is as much as US\$1.5 million. The first quarter of 1999 ended up with US\$200,000 in sales. Most of the company's clients are regional producers (75 percent), local companies accounts for 21 percent, and Federal companies for 4 percent. The main products the company sells include di-ammonium phosphate, tripoliphosphate, anionite A-100, A-104, talcum, corn powder, tubes for special needles, or Luer needles, and Lewatit CNP-80.

The company buys resins from German Bayer AG and English Pur Lite companies. The company is looking for American partners to purchase ion exchange resins, as well as other similar materials, and would like to establish long-term cooperation with pharmaceutical companies, or companies producing chemical processing equipment. Nadezhda-77 is planning to produce Luer needles. It realizes the importance and the great demand for the product, especially in power and water

supply industries, and is interested in having a strategic partner. It is ready to purchase the necessary equipment. According to its business-plan, the project includes investments of US\$300,000 from the company's own funds, with a pay-back period of three to six months. The U.S. company would contribute new technology, management and marketing experience, and equipment and initial inventory.

Nadezhda-77 welcomes all business proposals and projects. It would be delighted to communicate in English and provide potential partners with details of the project and the company's information.

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SVERDLOVSK OBLAST, RUSSIA

Industry: Bakery/Ceramics

Company: Region Bakery

Region Bakery, a private bakery, was established in July 1998. The company produces bread and is locally competitive thanks to its modern technology and equipment.

Region is located about 100 kilometers from Yekaterinburg in the Kamyshlov district, of the Sverdlovsk Oblast. The company owns 500 sq. m. of office space. Sales since its establishment total about US\$100,000. Region is a member of the Yekaterinburg Chamber for Commodity Producers, which has assisted the company in developing business plans for different projects. The company seeks a U.S. partner to invest money or technical assistance to develop a deposit of dolomite clay (kaolin) which is located near the bakery. There are only two known deposits of this type in Europe. The clay can be used to produce high-quality ceramics. The director of Region Bakery hopes to set up a ceramics factory. He is in the process of obtaining a loan to buy a building for manufacturing and to pay for a land lease.

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Source: BISNIS Representative in Yekaterinburg

TVER, RUSSIA

Industry: Railroad Equipment

Company: Rhythm

The open joint-stock company Rhythm was founded in 1991

on the premises of a train car building factory. Rhythm produces break fittings for railway transport and has become the leading manufacturer in Russia in this sector. It constantly renovates its products and invests in research. The products are certified and patented. Analogues producers in the NIS also purchase the fittings parts produced by Rhythm. State agencies (56 percent) and private businesses (44 percent) are the customers, of which 15 percent of the private businesses are from the NIS. The Russian company also had trade experience with the Israeli company Double Contact Group.

Rhythm employs 200 people. It owns 3,354 sq. m. of production facilities (sq. m.) and 1,446 sq. m. of warehouse and subsidiary facilities. Annual sales of Rhythm amount to US\$1.2 million.

Rhythm is interested in joint development of technology to produce break fittings for railway transport and renovation of its equipment. The estimated project cost is US\$1 million. The Russian company will offer 25 percent of its stock to guarantee the investment.

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Source: BISNIS Representative Moscow

VORONEZH, RUSSIA

Industry: Water Purification

Company: Vodmashoborudovanie

Vodmashoborudovanie is an open joint-stock company that in 1944-1993 was owned by the Spetskomunvodstroy, the Central Management Agency for Communications. In 1993, Vodmashoborudovanie was privatized and is now an affiliate enterprise of Spetskomunvodstroy. The shares are owned by its workers and management (413 total). No stock belongs to the local and federal governments.

Vodmashoborudovanie manufactures equipment for industrial purification of tap and sewage water (60 percent), fire-preventive equipment (35 percent), and foundry iron (5 percent). For manufacturing its fire-preventive equipment, the company is granted tax privileges (profits tax reduction and value-added tax exemption). Its annual sales amount to US\$2.6 million, of which in 1998, 62 percent came from the sale of 170,000 water purifiers. The state, mainly municipal services, purchases 70 percent of its production, private companies purchase 20 percent, and retail stores purchase 5 percent. The enterprise owns 18,7000 sq. m. of production facilities and 30,000 sq. m. of warehouses and additional facilities.

Vodmashoborudovanie is the leading Russian manufacturer of equipment for industrial purification of tap and sewage water. It has strong production potential (40-60 percent possible increase compared to the 1999 level), modern production technologies, and vast international trade experience. During 1970-

1989, the Russian company supplied its equipment to 37 countries (mainly to where the USSR had its military bases) and to the Soviet Republics. Currently, the Russian factory exports its production to Belarus, Kazakhstan, Ukraine, and the Baltic States.

Vodmashoborudovanie seeks US\$250,000 for a project to manufacture and install systems to purify water used in car-washing stations. A business plan is available upon request. A preliminary market study has been conducted. Vodmashoborudovanie could obtain guarantees from the regional government and use its products to back up the potential equipment.

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Source: BISNIS Representative Moscow

Its products are intended for compacting asphalt concrete and various types of grounds used in construction and repair works on roads, airfields, and dams. Presently, the company produces 17 types of automotive road compactors. Its products come in three categories: heavy (12-16 tons), medium (8-10 tons), and light (5-7 tons). The enterprise has all the necessary technical documentation, production facilities, qualified staff, and technology for mass production. It has established a procurement and distribution network.

The company seeks a U.S. business partner for further development and expansion of its local production. The estimated project cost is US\$9 million, and the expected implementation period is 3.5 years. A detailed business plan is available upon request.

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Source: BISNIS Representative in Moscow

VLADIVOSTOK REGION, RUSSIA

Industry: Restaurant

Company: Lotsia

Lotsia is a retailer and wholesaler specializing in home and office furniture and construction materials in the Amur Region. The company was established in 1992 and has 40 employees. Its annual sales total US\$250,000-1 million. The company imports goods from Malaysia, Singapore, Spain, China, and South Korea. It owns a store (600 sq. m.) in downtown Blagoveschensk and rents an additional 1,600 sq. m. of retailing space and warehouses.

The company seeks a U.S. company to open a fast-food cafe or restaurant in Blagoveschensk. The U.S. partner would provide equipment and training. The Russian company will contribute facilities, marketing, and labor.

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Source: BISNIS Representative in Vladivostok

YAROSLAVL, RUSSIA

Industry: Machinery

Company: The Yaroslavl Chamber of Commerce and Industry

The Yaroslavl Chamber of Commerce and Industries presents the following business opportunity for an enterprise. The enterprise is a leading road compactor producer in Russia.

YUZHNO-SAKHALINSK, RUSSIA

Industry: Tourism

Company: Sakhalinkurortresursy

Sakhalinkurortresursy is a small company with significant experience in recreation activities. The company supplies the local recreation centers and hospitals with natural mineral water and therapeutic mud. Mud is taken from a local lake and the mineral water from a local well (owned by the company). The company owns the land used for its operations. Fifty-one percent of the company shares is owned by the employees of the company, and 49 percent belongs to the Federation of Independent Trade Unions. The company employs 10 people and was privatized in 1992.

The company seeks a long-term partner to establish a recreation center using the existing infrastructure. All licenses and certificates are available. The company owns a lake that can be used for scallop cultivation. A U.S. partner is invited to participate in this project through the contribution of equipment and technology.

Note: This company was recommended to the BISNIS representative by the Sakhalin Regional Small Business Department.

Contact: Liudmila Aleksandrovna Maslova
General Director
12 Krasnaya Street
Yuzhno-Sakhalinsk, 693000, Russia
Tel/Fax: +7-4242-726365
E-mail: via ABC - bisnisYS@fraec.org

Source: BISNIS Representative in Yuzhno-Sakhalinsk.

Note: If you experience difficulty contacting this firm, you may send your correspondence to the BISNIS Representative at: E-mail: bisnisYS@fraec.org, or Satellite Fax: +7-509-951540 (accessible through SPRINT).

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